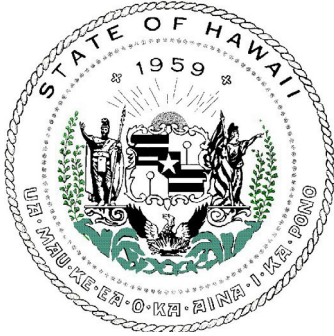


Employees' Retirement System of the State of Hawaii



Release date:

7/31/2026

State of Hawaii eProcurement,
(HiePRO IFB # B26002724)

Invitation for Bid (IFB) IFB 2026-05 for Holomua Publication Design & Printing Services, Multi-Year Term

Governance:

This solicitation is issued under the provisions of Hawaii Administrative Rules (HAR) 3-122-46 and Hawaii Revised Statutes (HRS) Chapters 88 & 103D and its administrative rules thereof. All offerors are charged with presumptive knowledge of all requirements of the cited authorities. Submission of a valid executed proposal by any prospective offeror shall constitute admission of such knowledge on the part of such prospective offeror.

eProcurement:

This is an electronic solicitation. Offered through State of Hawaii eProcurement (hiepro.ehawaii.gov) website. All offers are to be received in before IFB closing date and time, in order to be considered by the State, no hardcopies will be considered.

Compliance:

Offerors are to be duly registered to do business in the State of Hawaii via DCCA registration, (cca.hawaii.gov/resources) and to be compliant in Hawaii Compliance Express (HCE), (vendors.ehawaii.gov/hce) by the date and time of this IFB closure, in order to be considered.

- It is preferred that all electronic information technology developed or provided under this contract or procurement shall comply with the applicable requirements of the Hawaii Electronic Information Technology Disability Access Standards (Access Standards).

Communication:

The State's Point of Contact for this IFB is (Ms.) Gerri Konishi, at geraldine.konishi@hawaii.gov. & cc: to dbf.ers.procure@hawaii.gov and (Mr.) Larry Wolfe at larry.wolfe@hawaii.gov. Any modification to this specification shall be made by a written amendment to this IFB in HiePRO.

Kalbert K. Young, Procurement Officer and Executive Director

ADMINISTRATIVE OVERVIEW

INTRODUCTION:

The Department of Budget and Finance (B&F) Employees' Retirement System (ERS) of the State of Hawaii (ERS) administers a defined public pension benefit retirement plan for the State and county government employees of the State of Hawaii. ERS provides retirement, disability and death benefits for its members. ERS is a qualified defined benefit public pension plan under Section 401(a) of the Internal Revenue Code. Administration of the ERS falls under the policy and executive direction of the Board of Trustees with certain areas of administrative control vested in the state Department of Budget and Finance.

The ERS is seeking proposals from qualified Offerors for a firm and fixed price quote to provide Publication Design & Printing Services for the Quarterly Publication of its Holomua Newsletter (excluding postage costs) for three (3) year term, and ERS has an option to offer awardee 2 optional (1) year contract term extensions (that ERS will notify Contractor within 3 months of the ending of the existing term, if the option term is being elected).

Procurement will be awarded based on the price for the BASE CONTRACT TERM three (3) year term. Offerors are required to enter a price for all lines.

This solicitation is for a multi-term contract. The multi-term contract will be cancelled only if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal period succeeding the first; however, this does not affect the State's rights or the contractor's rights under any termination clause of the contract. The head of the purchasing agency must notify the contractor on a timely basis that the funds are, or are not, available for the continuation of the contract for each succeeding fiscal period. Offerors must submit prices for the entire time of performance only. In the event of cancellation, the contractor will be reimbursed unamortized reasonably incurred nonrecurring costs, if applicable.

IFB PROCUREMENT TIMETABLE and SIGNIFICANT DATES:

The schedule below represents the State's best estimate of the timeline that will be followed for this procurement. All times indicated are 4:30 PM Hawaii Standard Time (HST). If a component of this schedule is delayed, the rest of the schedule may be adjusted by the same number of days. Any schedule deviations to the Procurement Timetable will be posted by an addendum to this solicitation and published therein in HIePRO.

PROCUREMENT TIMETABLE:

Release of IFB	7/31/2026
Vendors due date to Submit Questions via HIePRO	8/5/2026
ERS's Response to Questions	8/7/2026
Proposals Due date/time	8/10/2026
Proposal Evaluations	8/11/2026-8/13/2026
Notice of Award	8/14/2026
Contract Start Date	8/17/2026

SCOPE OF WORK

Holomua Publication Design & Printing Services

The Employee' Retirement System (ERS) of the State of Hawaii is soliciting services from qualified offerors for the preparation and production of the Holomua quarterly newsletter for three (3) year term, and the ERS has an option to offer awardee 2 optional (1) year contract term extensions.

This specification requires the following of the Offeror's, but not limited to:

- Awardee to develop and manage the creation of the graphics, editing page content, copywriting, layout/design, Photoshop production, final art file to the printer. Provide a PDF for each of the publications to ERS prior to print.
- It is preferred that all electronic information technology developed or provided under this contract or procurement shall comply with the applicable requirements of the Hawaii Electronic Information Technology Disability Access Standards (Access Standards).
- Printing and distribution of the final publication.
- The production paper stock must be at a minimum of 70 lbs. (please confirm with ERS prior to final paper stock selection), samples are available at the ERS offices, City Financial Tower, 201 Merchant St, Suite 1400, Honolulu, HI 96813, coordinate with Program Specialist James Greubel at 808-586-1863.

Editing/Copywriting

A. Collaborate with ERS staff to receive and refine magazine content and graphics including:

1. Basic requirements: Ensure camera/print-ready copy, has been created and approved by the Vendor's Quality Assurance Review team, prior to submitting to ERS for evaluation, to include but not limited to:
 - Grammar.
 - Spelling (including proper abbreviations, acronyms, capitalization, use of numbering and numerals, etc.).
 - Punctuation (including hyphenation, quotations, parentheticals, footnotes, etc.)
 - Layout, design – flexibility to newsletter content.
 - Photographs may be added as requested or suggested by offeror.
 - Website PDF must be clear, readable and accessible.
 - Recurring layout items to be accurate and consistent throughout all issues.

B. Advanced Requirements

1. Review style based on article subject matter.
 - Assess and review content.
 - Structure and organization.
 - Relevance to audience.
 - Clarity.
 - Basic background research, fact-checking for sense, possible misinterpretations.
 - Check for inconsistencies, discrepancies.
 - Correctness of language (unbiased, gender-neutral, cultural sensitivity, etc.).
 - Suggestions, comments, re-writes.
2. Relevance and clarity of tables, charts and references.
3. Offeror may be requested to draft articles on various topics suggested by the ERS
4. Quarterly publications are typically eight pages in length; however, should a newsletter issue require 12 pages, offeror will be required to add additional pages to the publication. See additional cost item on Offer Form, OF-2.
5. Publication of a one- to two-page Special Emergency edition if/as required. The special emergency edition will include the standard processes of the quarterly publication. Including Photoshop, layout, editing, etc. The number of pieces to be printed and mailed may vary depending on the purpose and target audience of the publication. Awardee to utilize ERS bulk mail rate permit for domestic mailings and for international mailings, awardee shall pay for mailings and ERS will reimburse.

Coordinating Print Production:

Prepare publications schedule of twelve issues based on tentative mailing dates of:

- Base Year 1
 - September 30, 2026
 - December 31, 2026
 - March 31, 2027
 - June 30, 2027
 - Base Year 2
 - September 30, 2027
 - December 31, 2027
 - March 31, 2028
 - June 30, 2028
 - Base Year 3
 - September 30, 2028
 - December 31, 2028
 - March 31, 2029
 - June 30, 2029
 - Option Year 1
 - September 30, 2029
 - December 31, 2029
 - March 31, 2030
 - June 30, 2030
 - Option Year 2
 - September 30, 2030
 - December 31, 2030
 - March 31, 2031
 - June 30, 2031
- A. Awardee to provide hard copy proofs and PDF proofs to be sent to ERS for review and approval prior to printing.
- B. Editing corrections to be completed accurately on first check pass.

Printing and Distribution

- A. Awardee shall same day communicate notification of any delays and difficulties with printing/ mailing schedule to the program specialist at james.greubel@hawaii.gov & cc to: dbf.ers.admin.programspecialist@hawaii.gov.
- B. Awardee to provide timely delivery of PDF for website copy and hard copies for distribution based on publication schedule.
- C. Awardee to provide a notification of postal mail out date.
- D. Awardee shall distribute mailing based on domestic postage rates (ERS paid permit with bulk mail rates) and international postage rates (postage paid by offeror for reimbursement). Awardee to be provided a count and mailing list prior to printing. If required and will be provided a count and mailing list of special emergency publication for printing and distribution. Bulk mailing indicia may be printed on the additional flat copies. ERS shall provide a unique identifier that is applicable to each person receiving the publication as part of the address file. This unique identifier is to be printed on every address label of person receiving the publication as part of the address file. This unique identifier is to be printed on every address label.
- E. The estimated numbers of hard copies per quarter are: 68,000 (67,500 folded to be mailed domestic and international and 500 flat to be delivered to ERS). Awardee to be provided a count of additional flat copies to be delivered to ERS. Awardee shall use ERS bulk mailing permit for domestic mailing and shall reimburse awardee for international postage costs.
- F. Hard copy size: Flat 8.5 x 11 inches, Folded 8.5 x 5.5 inches.
- G. Awardee to provide ERS with a mailing vendor's or subcontractor's process of address verification validation, address updates and return mail procedures. Mailing vendor or subcontractor to provide ERS with an updated mailing address file, including returned mail.

TEMPLATES

At each publication set completion, all electronic data used in the publication, (i.e., ERS logo) narrative, templates, artwork and shall be the property of Employees' Retirement System and provided to ERS on an external storage device (USB drive) or media in its native files and PDF copy when production runs are complete.

Photos, layouts, etc., and intellectual property thereof shall become the property of the ERS. Samples of current and previous Holomua newsletters are available on the ERS website: <http://ers.ehawaii.gov/> or at the ERS office:

City Financial Tower
201 Merchant Street
Suite 1400
Honolulu, Hawaii 96813

QUANTITIES

Quantities for bid are reflected in Offeror Form OF-1 of this IFB. The ERS reserves the right to adjust quantities if/as required.

OFFEROR AND SUBCONTRACTOR QUALIFICATIONS

Editing the newsletter shall be the priority of the Awardee. Awardee must have experience performing editing of similar types of work similar to the scale and complexity as ERS work. References and contact information are required (see Offer Forms, OF-1 and OF-3), along with samples of similar types of production work completed. Previous work shall have similar type, scale and complexity of the ERS newsletter. Work which consisted of only printing or reproducing/replicating work shall not be considered.

Offerors are to have an office presence in Hawaii in order to facilitate coordination of the requirements of the IFB and for meeting with the ERS.

Offerors shall possess professional grammar skills with the ability to initiate corrections and suggestions to each article's layout and flow. Offerors shall have the core competencies to edit the newsletter to ensure the content is clear, concise, correct and understandable.

The ERS has attached to this IFB specification a Sample Contract for offeror's review.

PROPOSAL SUBMITTAL

Offeror(s) shall annotate and sign the ERS provided forms, insert the completed forms into their proposal package and upload the complete proposal into the State of Hawaii's website, HIePRO (hiepro.ehawaii.gov/) for award consideration. Items to be in the offeror's proposal shall include but not be limited to the following:

1. Offer Form OF-1, Price Quote, Cost of Services :

Includes, fully encumbered, firm and fixed, lump sum inclusive of all labor, travel, taxes and fees etc, including all costs in, or associated with the performance of the services rendered as described by this specification (except for postage costs that ERS will pay separately).

- a. Offeror to enter the amount from OF-1, line B-8, **TOTAL SUM for 3 Years, BID PRICE, FIRM & FIXED, in HIePRO Offer section of this IFB, as job total price quote.**

2. Offer Form OF-2, Offeror Identification:

Includes the Offeror attesting to the understanding and agreement to provide and perform under the terms and conditions of the specifications herein and no violation of Chapter 84 and no collusion. Offeror includes their corporate information, traceability and accountability information with signature.

3. Offer Form OF-3, Professional References:

Offeror is to annotate OF-3, providing three (3) years of professional experience providing services within the past five (5) years for government clients of similar type, size, scale and complexity as ERS. If a sub-contractor is used, sub-contractor shall fill in the form and offeror to submit the completed sub-contractor form with their proposal.

4. ERS Confidentiality Agreement.

- a. Offeror to sign confidentiality agreement and attach to their proposal.
b. Subcontractor(s) (if used) shall also sign a confidentiality agreement.

5. Proposal:

- a. Proposal: offeror shall provide a complete proposal in their submittal to this IFB for ERS consideration. Proposal to include company background, core competencies, certificates which pertain to performance noted in this IFB and resumes of key personnel whom the offeror intends to use to support this engagement, if the offeror is awarded the contract.
- b. Offeror's Proposal Technical attributes to be judged per criteria in Proposal Technical Evaluation chart on page 10 of this specification.
- c. Offeror to provide a detailed Gantt type water flow schedule in their proposal which includes the approximate processing dates for articles, first proof, edit deadlines, subsequent proof checks, mailing list, hard copy counts, mail out date, etc to be aligned with the quarterly production dates noted on page 4 of this specification in Coordinating Print Production section:

6. Compliance:

Offerors are to be duly registered to do business in the State of Hawaii via DCCA registration, (vendors.ehawaii.gov/hce) and compliant in Hawaii Compliance Express, (vendors.ehawaii.gov / hce) by the date and time of the closing of this IFB, for their proposals to be considered.

PROPOSAL TECHNICAL EVALUATION:

Offeror's proposal shall be judged on the criteria listed below and on content and samples of work provided in the Offeror's proposal. Award will be based upon the Offerors' best pricing, demonstrated experience and 3rd party verification of the offeror's competency and experience to perform and comply with the requirements of this specification and to be the most responsive and responsible Offeror.

Key Competencies:

- Editing and Copywriting.
- Publication Structure and Organization.
- Graphics and Layout.
- Printing and Mailing

Business Acumen:

- Staff and Company Experience

3rd Party Verification:

- Client References.

BASIS FOR AWARD CONSIDERATION:

The Offeror selected for award consideration shall:

- Be compliant in Hawaii Compliance Express by the date and time of the closing of this IFB.
- Provide the best bid quoted price.
 - Note: Procurement will be awarded based on the price for the BASE CONTRACT TERM three (3) year term. from OF-1, line B-8, TOTAL SUM for 3 Years, BID PRICE, FIRM & FIXED, in HlePRO Offer section of this IFB, as job total price quote. Offeror is required to include pricing for all line items.
- Demonstrate staff competency.
- Demonstrate professional company qualifications to complete the requirements of this IFB.
- Be the most responsive and responsible bidder.

EMPLOYEES' RETIREMENT SYSTEM

**OFFEROR
FORMS**

**ERS HOLOMUA NEWSLETTER
OFFER FORM OF-1 Pricing, Cost of Services.
OFFEROR TO COMPLETE ITEMS & SIGN**

1. BASE CONTRACT TERM Pricing (Publication dates from 9/2026 to 6/2029)

A-Annual Price

Item:	Description:	Base Year 1 9/2026 to 6//2027	Base Year 9/2027 to 6//2028	Base Year 9/2028 to 6//2029
B-1	Provide editing, copywriting, layout/design, Photoshop production, sending final art files to the printer, PDF files for ERS website. (Additional artwork or graphics requested and approved will be reimbursed by the ERS.)	\$	\$	\$
B-2	Coordination of print production which includes working with ERS and the copywriter, coordinating with the printers on specifications for the printing of the newsletter, reviewing and editing all proofs for grammar/spelling, four press checks, and coordinating the job from inception to delivery.			
B-3	Printing, Desktop Publishing, delivering and mailing of approximately 68,000 pieces per quarter for 8 colored pages. *See Ancillary Pricing section below*			
B-4	Taxes and other fees			
B-5	Quarterly Price - Subtotal (Sum of Lines 1 to 3)			
B-6	Number of Issues in Year	x 4	x 4	x 4
B-7	Annual Price (Quarterly Price x Number of Issues – Line 5 x Line 6)	\$	\$	\$
B-8	TOTAL SUM for 3 Years, BID PRICE, FIRM & FIXED. Sum the Annual Price for 3-years (BY1 +BY2 +BY3) from Line B-7. Place TOTAL SUM on this line and enter this price quote number in HiePRO Offer section of this IFB, as job total price quote.			

B-Ancillary Pricing

Item:	Description:	Base Year 1 9/2026 to 6//2027	Base Year 9/2027 to 6//2028	Base Year 9/2028 to 6//2029
B-AP-1	Newsletters to be a 12-page rather than 8-page publication (if needed).			
B-AP-2	Amount added to bid price for one (1) <u>additional</u> special emergency edition of 1-2 pages (if needed). Please include associated production and printing costs based on 68,000 copies for this publication.			
B-AP-3	Total cost per piece over estimated quarterly quantity based upon 68,000 copies.			

(Continued on next page.)

IFB 2026-05 (HiePRO B26002724)
Holomua Publication,
Design & Printing Services, Multi-Year
Rel Date: 7/31/2026

**ERS HOLOMUA NEWSLETTER
OFFER FORM OF-1 Pricing, Cost of Services.
OFFEROR TO COMPLETE ITEMS & SIGN**

2. OPTION YEARS FOR CONTRACT TERM Pricing

(Publication dates from 9/2029 to 6/2031)

A - Annual Price

Item:	Description:	Option Year 1 9/2029 to 6/2030	Option Year 2 9/2030 to 6/2031
OP-1	Provide editing, copywriting, layout/design, Photoshop production, sending final art files to the printer, PDF files for ERS website. (Additional artwork or graphics requested and approved will be reimbursed by the ERS.)	\$	\$
OP-2	Coordination of print production which includes working with ERS and the copywriter, coordinating with the printers on specifications for the printing of the newsletter, reviewing and editing all proofs for grammar/spelling, four press checks, and coordinating the job from inception to delivery.		
OP-3	Printing, Desktop Publishing, delivering and mailing of approximately 68,000 pieces per quarter for 8 colored pages. *See Ancillary Pricing section below*		
OP-4	Taxes and other fees		
OP-5	Quarterly Price - Subtotal (Sum of Lines 1 to 3)		
OP-6	Number of Issues in Year	x 4	x 4
OP-7	Annual Price (Quarterly Price x Number of Issues – Line 5 x Line 6)	\$	\$
OP-8	OPTION YEARS TOTAL SUM for 2 Years, BID PRICE, FIRM & FIXED. Sum the Annual Price for 3-years (OY1 +OY2) from Line OP-7		\$

B - Ancillary Pricing

Item:	Description:	Option Year 1 9/2029 to 6/2030	Option Year 2 9/2030 to 6/2031
OP-AP-1	Newsletters to be a 12-page rather than 8-page publication (if needed).	\$	\$
OP-AP-2	Amount added to bid price for one (1) <u>additional</u> special emergency edition of 1-2 pages (if needed). Please include associated production and printing costs based on 68,000 copies for this publication.		
OP-AP-3	Total cost per piece over estimated quarterly quantity based upon 68,000 copies.		

3. Additional attachments have been included (check here). _____

5. Quote is valid for _____

4. Quote No: _____

(60) calendar days). _____

6. All quotes to be signed and dated by an authorized signatory of the company.

Signature _____

Date _____

Name _____

Title _____

**ERS HOLOMUA NEWSLETTER
OFFER FORM OF-2
OFFEROR'S IDENTIFICATION**

Procurement Officer
Employees' Retirement System
201 Merchant Street, Suite 1400
Honolulu, Hawaii 96813

Dear Procurement Officer:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and the attached General Conditions and agrees to same. Offeror hereby submits the following offer to perform the work as specified in this specification, in accordance with the true intent and meaning thereof. The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price quote submitted was independently arrived at without collusion.

Offeror is:

☐ Corporation ☐ Limited Liability Company ☐ Limited Partnership
☐ Other: _____
State of Incorporation/Organization: _____

Exact Legal Name of Entity: ** _____

Doing Business As (dba): _____

Federal Employer ID #: _____ Hawaii Tax No.: _____

Payment address
(if different than business address): _____
City, State, Zip Code: _____

Business address: _____
City, State, Zip Code: _____

Respectfully submitted:

Date: _____ (x) _____
Authorized (Original) Signature

Telephone No.: _____

Fax No.: _____ Name and Title (Please Type or Print)

Email Address: _____

**If Offeror is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the awarded Contract will be executed.

ERS HOLOMUA NEWSLETTER

OFFER FORM OF-3

Professional References

Offeror to have three (3) years of professional experience providing services within the past five (5) years for clients of the similar type, size, scale and complexity as ERS..

Offeror Name _____

(1) Client Name _____

Contact Person _____

Telephone No. _____ Facsimile No. _____

Email Address: _____

Description of Service Provided: _____

Contract Period of Service Provided: _____

(2) Client Name _____

Contact Person _____

Telephone No. _____ Facsimile No. _____

Email Address: _____

Description of Service Provided: _____

Contract Period of Service Provided: _____

(3) Client Name _____

Contact Person _____

Telephone No. _____ Facsimile No. _____

Email Address: _____

Description of Service Provided: _____

Contract Period of Service Provided: _____

OFFER FORM OF-3 (continued)
References

SUB-CONTRACTOR: Offeror's sub-contractor to have three (3) years of professional experience providing services within the past five (5) years for clients of the similar type, size, scale and complexity as ERS.

_____ Mark here if no subcontractor used.

Offeror Name _____

Sub-contractor Name _____

(1) Client Name _____

Contact Person _____

Telephone No. _____ Facsimile No. _____

Email Address: _____

Description of Service Provided: _____

Contract Period of Service Provided: _____

(2) Client Name _____

Contact Person _____

Telephone No. _____ Facsimile No. _____

Email Address: _____

Description of Service Provided: _____

Contract Period of Service Provided: _____

(3) Client Name _____

Contact Person _____

Telephone No. _____ Facsimile No. _____

Email Address: _____

Description of Service Provided: _____

Contract Period of Service Provided: _____

EMPLOYEES' RETIREMENT SYSTEM

SAMPLE CONTRACT



STATE OF HAWAII
CONTRACT FOR GOODS OR SERVICES
BASED UPON
COMPETITIVE SEALED BIDS

This Contract, executed on the respective dates indicated below, is effective as of _____, _____, between _____,
(Insert name of state department, agency, board or commission)
State of Hawaii ("STATE"), by its _____,
(Insert title of person signing for State)
(hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")), whose address is _____,
and _____
_____ ("CONTRACTOR"),
a _____ under the laws of the State of _____,
(Insert corporation, partnership, joint venture, sole proprietorship, or other legal form of the Contractor)
whose business address and federal and state taxpayer identification numbers are as follows:

RECITALS

A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services, or both.

B. The STATE has issued an invitation for competitive sealed bids, and has received and reviewed bids submitted in response to the invitation.

C. The solicitation for bids and the selection of the CONTRACTOR were made in accordance with section 103D-302, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 5, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").

D. The CONTRACTOR has been identified as the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation.

E. Pursuant to _____,
(Legal authority to enter into this Contract)
the STATE is authorized to enter into this Contract.

F. Money is available to fund this Contract pursuant to:

(1) _____
(Identify state sources)

or (2) _____
(Identify federal sources)

or both, in the following amounts: State \$ _____
Federal \$ _____

NOW, THEREFORE, in consideration of the promises contained in this Contract, the STATE and the CONTRACTOR agree as follows:

1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the Invitation for Bids number _____ ("IFB") and the CONTRACTOR'S accepted bid ("Bid"), both of which, even if not physically attached to this Contract, are made a part of this Contract, and in accordance with the Scope of Services, Attachment 1, which is attached to and made part of this Contract.

2. Compensation. The CONTRACTOR shall be compensated for goods supplied or services performed, or both, under this Contract in a total amount not to exceed _____

_____ DOLLARS (\$ _____), including approved costs incurred and taxes, at the time and in the manner set forth in the IFB and CONTRACTOR'S Bid, and in accordance with the Compensation and Payment Schedule, Attachment 2, which is attached to and made part of this Contract.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance, Attachment 3, which is attached to and made a part of this Contract.

4. Bonds. The CONTRACTOR ☐ is required to provide or ☐ is not required to provide: ☐ a performance bond, ☐ a payment bond, ☐ a performance and payment bond in the amount of _____ DOLLARS (\$ _____).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including all attachments and addenda; (2) the IFB, including all attachments and addenda; and (3) the CONTRACTOR'S Bid.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of _____ DOLLARS (\$ _____) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any change of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

FUNDING AGENCY

(if other than contracting agency)

(Name of Funding Agency)

(Signature)

(Print Name)

(Print Title)

(Date)

STATE

(Signature)

(Print Name)

(Print Title)

(Date)

CONTRACTOR

(Name of Contractor)

(Signature)

(Print Name)

(Print Title)

(Date)

*

APPROVED AS TO FORM:

Deputy Attorney General

* Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.



STATE OF HAWAII

CONTRACTOR'S STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of _____, CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR ☐ is* ☐ is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84-15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of \$10,000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive sealed proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACTOR

By _____
(Signature)

Print Name _____

Print Title _____

Name of Contractor _____

Date _____



STATE OF HAWAII
SCOPE OF SERVICES



STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE



STATE OF HAWAII
TIME OF PERFORMANCE



STATE OF HAWAII
TIME OF PERFORMANCE



STATE OF HAWAII

CERTIFICATE OF EXEMPTION FROM CIVIL SERVICE

1. By Heads of Departments Delegated by the Director of the Department of Human Resources Development ("DHRD").*

Pursuant to a delegation of the authority by the Director of DHRD, I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to § 76-16, Hawaii Revised Statutes (HRS).

(Signature)

(Date)

(Print Name)

(Print Title)

* This part of the form may be used by all department heads and the heads of attached agencies to whom the Director of DHRD expressly has delegated authority to certify § 76-16, HRS, civil service exemptions. The specific paragraph(s) of § 76-16, HRS, upon which an exemption is based should be noted in the contract file. If an exemption is based on § 76-16(b)(15), the contract must meet the following conditions:

- (1) It involves the delivery of completed work or product by or during a specific time;
- (2) There is no employee-employer relationship; and
- (3) The authorized funding for the service is from other than the "A" or personal services cost element.

NOTE: Not all attached agencies have received a delegation under § 76-16(b)(15). If in doubt, attached agencies should check with the Director of DHRD prior to certifying an exemption under § 76-16(b)(15). Authority to certify exemptions under §§ 76-16(b)(2), and 76-16(b)(12), HRS, has not been delegated; only the Director of DHRD may certify §§ 76-16(b)(2), and 76-16(b)(12) exemptions.

2. By the Director of DHRD, State of Hawaii.

I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to § 76-16, HRS.

(Signature)

(Date)

(Print Name)

(Print Title, if designee of the Director of DHRD)

GENERAL CONDITIONS

Table of Contents

Page(s)

1.	Coordination of Services by the STATE	2
2.	Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.....	2
3.	Personnel Requirements	3
4.	Nondiscrimination	3
5.	Conflicts of Interest	3
6.	Subcontracts and Assignments	3
7.	Indemnification and Defense	4
8.	Cost of Litigation.....	4
9.	Liquidated Damages	4
10.	STATE'S Right of Offset.....	4
11.	Disputes	4
12.	Suspension of Contract.....	4
13.	Termination for Default.....	5
14.	Termination for Convenience	6
15.	Claims Based on the Agency Procurement Officer's Actions or Omissions.....	8
16.	Costs and Expenses	8
17.	Payment Procedures; Final Payment; Tax Clearance	9
18.	Federal Funds	9
19.	Modifications of Contract.....	9
20.	Change Order.....	10
21.	Price Adjustment	11
22.	Variation in Quantity for Definite Quantity Contracts	11
23.	Changes in Cost-Reimbursement Contract.....	11
24.	Confidentiality of Material	12
25.	Publicity.....	12
26.	Ownership Rights and Copyright	12
27.	Liens and Warranties	12
28.	Audit of Books and Records of the CONTRACTOR.....	13
29.	Cost or Pricing Data	13
30.	Audit of Cost or Pricing Data	13
31.	Records Retention.....	13
32.	Antitrust Claims.....	13
33.	Patented Articles.....	13
34.	Governing Law	14
35.	Compliance with Laws	14
36.	Conflict between General Conditions and Procurement Rules	14
37.	Entire Contract.....	14
38.	Severability	14
39.	Waiver	14
40.	Pollution Control	14
41.	Campaign Contributions.....	14
42.	Confidentiality of Personal Information.....	14

GENERAL CONDITIONS

1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.
2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.
 - a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.
 - b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.
 - c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.
 - d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.
 - e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.
 - f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

- g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.
- h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.
- i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.

3. Personnel Requirements.

- a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.
- b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

- a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

- (1) The Assignee assumes all of the CONTRACTOR'S obligations;
- (2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and
- (3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

- b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

- c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.
 - d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.
- 7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.
 - 8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.
 - 9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.
 - 10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.
 - 11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.
 - 12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.
 - a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified

period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

- (1) Cancel the stop performance order; or
 - (2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.
- b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:
- (1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and
 - (2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.
- c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.
- d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

13. Termination for Default.

- a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.
- b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and

necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

- c. Compensation. Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.
- d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.
- e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR'S right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.
- f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. Termination for Convenience.

- a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.
- b. CONTRACTOR'S obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.

- c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

- (1) Any completed goods or work product; and
- (2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

- d. Compensation.

- (1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.
- (2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.
- (3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:
 - (A) Contract prices for goods or services accepted under the Contract;
 - (B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;
 - (C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);
 - (D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the

total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

- (4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

- a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

- (1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:

- (A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;
- (B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or
- (C) Within such further time as may be allowed by the Agency procurement officer in writing.

- (2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;

- (3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and

- (4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

- b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.

- c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:

- a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.
- b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.
- c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.

17. Payment Procedures; Final Payment; Tax Clearance.

- a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.
- b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.
- c. Prompt payment.
 - (1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and
 - (2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.
- d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.

18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.

19. Modifications of Contract.

- a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.
- b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.

- c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:
 - (A) Changes in the work within the scope of the Contract; and
 - (B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.
 - d. Adjustments of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.
 - e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.
 - f. Claims not barred. In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.
 - g. Head of the purchasing agency approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least \$25,000.00 and ten per cent (10%) or more of the initial contract price, must receive the prior approval of the head of the purchasing agency.
 - h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.
 - i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.
20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:
- (1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;
 - (2) Method of delivery; or
 - (3) Place of delivery.
- a. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By

proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

- b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.
- c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.
- d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. Price Adjustment.

- a. Price adjustment. Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:
 - (1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
 - (2) By unit prices specified in the Contract or subsequently agreed upon;
 - (3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;
 - (4) In such other manner as the parties may mutually agree; or
 - (5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.
- b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

- a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:
 - (1) Description of performance (Attachment 1);
 - (2) Time of performance (i.e., hours of the day, days of the week, etc.);
 - (3) Place of performance of services;

- (4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;
 - (5) Method of shipment or packing of supplies; or
 - (6) Place of delivery.
- b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.
 - c. The CONTRACTOR must assert the CONTRACTOR'S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.
 - d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.
 - e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.
24. Confidentiality of Material.
- a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.
 - b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.
25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR'S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.
26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.
27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.

28. Audit of Books and Records of the CONTRACTOR. The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:
- a. The cost or pricing data, and
 - b. A state contract, including subcontracts, other than a firm fixed-price contract.
29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over \$100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.
- If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.
30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.
31. Records Retention.
- (1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.
 - (2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.
32. Antitrust Claims. The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.
33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.

34. Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.
35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.
36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.
37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.
38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.
39. Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.
40. Pollution Control. If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.
41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-355, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.
42. Confidentiality of Personal Information.
- a. Definitions.
- "Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:
- (1) Social security number;
 - (2) Driver's license number or Hawaii identification card number; or

- (3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.

Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

b. Confidentiality of Material.

- (1) All material given to or made available to the CONTRACTOR by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.
- (2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.
- (3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.
- (4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.
- (5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.
- (6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

- (1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.
- (2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:
 - (A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;
 - (B) Access to the personal information will be allowed only as necessary to perform the Contract; and
 - (C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

- (1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or
- (2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

- (1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.
- (2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.